



PRESS RELEASE

Colorado Department of Law
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ATTORNEY GENERAL SUTHERS ANNOUNCES SECOND RISPERDAL SETTLEMENT WITH JOHNSON & JOHNSON AND ITS SUBSIDIARY, JANSSEN PHARMACEUTICALS

DENVER— [Colorado Attorney General John Suthers](#) today announced that Colorado will receive approximately \$7.7 million dollars from Johnson & Johnson and its subsidiary, Janssen Pharmaceuticals ([NYSE: JNJ](#)) in a settlement resolving allegations of illegal off-label marketing activities of the drugs Risperdal and Invega.

The settlement, which includes the federal government, Colorado, and a majority of the states, requires the company to pay a total of \$1.2 billion in settlement money. In addition, Janssen has agreed to plead guilty to federal criminal charges relating to introducing a misbranded drug into interstate commerce. The agreement will resolve four federal *qui tam* (whistleblower) lawsuits.

In August, 2012, [Colorado Attorney General Suthers](#) announced that he and 37 other Attorneys General [reached a record \\$181 million dollar settlement with Janssen](#) over accusations that the company was improperly marketing Risperdal, Risperdal Consta, Risperdal M-Tab and Invega. This settlement compliments that action by now addressing the issues Medicaid endured by the off-label marketing abuses by the company.

“These funds are another significant recovery for Colorado’s Medicaid program,” commented Attorney General Suthers. “Colorado will not tolerate conduct that threatens the integrity of our Medicaid program and risks funds that care for needy Colorado citizens.”

Risperdal and Invega are “atypical antipsychotics,” used to treat certain psychological disorders. The federal government alleged that J&J promoted the sale and use of the drugs for certain uses not approved by the federal government. While physicians are generally free to prescribe FDA-approved drugs for “off label” uses, with few exceptions drug manufacturers are not permitted to directly promote or market their drugs for such uses. Moreover, Colorado and other Medicaid programs usually do not pay for prescriptions for off-label purposes.

The claims alleged that J&J engaged in off-label marketing and kickback schemes designed to increase the prescribing of Risperdal and Invega for patient populations for which there was no FDA approval, such as children and the elderly, and for uses that were not FDA-approved such as dementia, attention and hyperactivity disorders, conduct disorders, and various other mental diagnoses.

Since Medicaid programs are funded in part by the federal government, a portion of the \$7.7 million will be returned to the federal government to compensate it for its share of Colorado’s losses. [Colorado’s Department of Healthcare Policy & Financing](#) will receive almost \$3 million directly.

The Colorado Attorney General’s Medicaid Fraud Control Unit facilitated Colorado’s portion of the settlement. In addition to the monetary recovery, J&J will enter into a Corporate Integrity Agreement with the federal government, under which the U.S. Department of Health and Human Services will closely monitor the company’s future marketing and sales practices.

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